[A. Lakshminarayana Aiyar.]

CAPITAL EXPENDITURE.

32. The next year's programme of capital expenditure includes a provision of Rs 30·29 lakhs which is less than the Revised Estimates for the current year by Rs 6·77 lakhs. The difficulty in obtaining the machinery and the materials required for the working and the expansion of our capital schemes and also the necessity to keep the expenditure at a low level are the considerations for the smaller provision proposed for the next year, as compared with the Revised Estimates. The details of the works are mentioned in the Budget Memorandum and I shall only make a passing mention of the more important items.

33. *Commercial Transport.* Including the capital outlay of Rs 14,000 proposed for this scheme for the ensuing year, the aggregate capital outlay on the scheme at the end of the year is expected to stand at Rs 12·03 lakhs. A net return of Rs 1·64 lakhs on the investment after providing for depreciation etc., is expected to be realised this year, while the return for the next year is anticipated to stand at Rs 2·62 lakhs. The department has been only temporary since its organisation in 1113. The working of the department as seen from the Government accounts has resulted in a net loss in all the past years except during 1113, the year of its commencement. The accounts maintained by the Department have however shown net profits during all these years. The difference is due to the fact that the Government accounts are kept on a cash basis while the departmental accounts are kept on a commercial basis. Even according to the Government accounts the profits up to the end of the current year, excluding interest charges are expected to stand at about Rs 3·14 lakhs which may be considered sufficient to cover a reasonable rate of interest on the Government investment of Rs 10·71 lakhs in the scheme as at the end of 1116. As the department has thus become self-supporting, it is proposed to make it permanent from 1st Chingom 1118. Arrangements have also been made for the accounts of the Scheme as maintained on the commercial accounting system being, in future, reconciled with the accounts as recorded in the State Ledgers and for exhibiting the result on a pro-forma basis in the Appropriation accounts of the State.

34. *Clay Refining and Porcelain Factory.* A provision of Rs 1 lakh has been made in the budget for the capital expenditure on this concern. The net receipts from the Factory for the current year are expected to be Rs 1·5 lakhs and that for the next year to be Rs 2 lakhs.

35. *Electric Schemes.* The capital outlay on our Electrical undertakings at the end of this year is expected to stand at Rs 190·63 lakhs, which with the proposed outlay of Rs 20·05 lakhs for the next year for the dam works at Kundale (10·0) and for other works in progress, will

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make the total investment on these schemes at the close of the next year stand at Rs 210·68 lakhs. The Revised Estimate of receipts from these schemes for the current year is Rs 3·16 lakhs and the Budget Estimate for the next year, Rs 8·86 lakhs.

36. I shall now turn to a review of the Debt position and Ways and Means for the current year and the next.

Debt Position.

A statement of assets and liabilities is furnished on pages 12 and 13 of the Budget Estimates. It will be seen therefrom that our liabilities at the close of 1118 including the balances at the credit of some of the Funds such as General Reserve Fund, Revenue Reserve Fund etc., which are not repayable aggregate to Rs 697 lakhs. On the asset side, our outlay on productive schemes is also included as they are real assets and were treated as such till 1115, though accounted for in subsequent years under Capital expenditure not charged to revenue. Against the above liability the total assets amount to Rs 763 lakhs which is Rs 66 lakhs in excess of the liabilities. It may, however, be mentioned here that the above assets do not include the outlay on the Kodayar Project Scheme and on non-productive schemes. If these are also taken into account, the total assets would exceed the liabilities by more than 2 crores. Our debt position may therefore be considered as satisfactory.

Ways and Means.

37. The final accounts of 1116 have resulted in an opening cash balance of Rs 54·25 lakhs for 1117 with short term deposits in Banks to the extent of Rs 30·54 lakhs. We have discharged this year the 5 per cent. loan of 1091 to the extent of Rs 14·34 lakhs from our cash balances and a small portion of this loan to the extent of Rs 41,000 only have not yet been presented for discharge. We had a sinking fund of Rs 14·75 lakhs invested in gilt-edged securities for redeeming this loan. But in view of our strong cash position there was no necessity to use this investment for the discharge of the loan. This investment has therefore been transferred to the credit of the General Reserve Fund. Including the receipt of about Rs 5 lakhs from a short-term deposit, the transactions during the year under Revenue, Capital and Debt Heads, will result in a net receipt of Rs 16·33 lakhs due to increase in Savings Bank Deposit and other Debt Head receipts and also on account of the slow progress of capital works. The year is therefore expected to close with a cash balance of Rs 70·58 lakhs and the short-term deposits will amount to Rs 25·45 lakhs. The result of the several transactions during the next year is also estimated to be a net receipt amounting to Rs 15·54 lakhs. It is therefore proposed to invest a further sum of Rs 25 lakhs in short-term deposits in Banks, a cash balance of Rs 60 lakhs being more than sufficient to conduct the day to day transactions of Government. We will thus have at the end of next year a cash balance of more than Rs 60 lakhs, short-term deposits

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